

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION

Call to Order: By **CHAIRMAN JOHN SINRUD**, on February 1, 2005 at
8:00 A.M., in Room 317-B Capitol.

ROLL CALL

Members Present:

Rep. John Sinrud, Chairman (R)
Sen. Lane L. Larson, Vice Chairman (D)
Sen. Mike Cooney (D)
Sen. Rick Laible (R)
Rep. Jon C. Sesso (D)
Sen. Corey Stapleton (R)
Rep. Janna Taylor (R)

Members Excused: Rep. Rosalie (Rosie) Buzzas (D)

Members Absent: None.

Staff Present: Marilyn Daumiller, Legislative Branch
Jamie Mickelson, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion
are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted:
Executive Action: Governor's Office

EXECUTIVE ACTION

Base Year and Statewide Present Law

PROGRAM 01 GOVERNOR'S OFFICE Page A-54 thru A-73

Marilyn Daumiller, Legislative Fiscal Division, explained the handout, "Executive Action on the Governor's Office."

EXHIBIT(jgh25a01)

CHAIRMAN SINRUD stated that the committee will take executive action on Page 1 of "Executive Action on the Governor's Office." This page is to approve the base year and statewide present law adjustments. This will increase an additional \$660,472 in FY 2006, and increase an additional \$604,704 in FY 2007. He stated that the total budget of the Governor's Office would be \$10,029,764 for the biennium.

Discussion:

SEN STAPLETON asked if this was a 15% increase in spending from the last session. **Mrs. Daumiller** stated that 15% is about right. She informed the committee that they have the option to take all of the motions separately, or all together.

SEN. LAIBLE asked if these motions included the supplemental appropriation of \$163,000. **Mrs. Daumiller** stated that the supplemental appropriation is in HB 3.

SEN. LARSON made a motion to take all of the Decision Packages as one large group.

Mrs. Daumiller stated that the committee is only voting on statewide and not on present law adjustments.

SEN. STAPLETON asked where the increases for the Governor's Office Budget are coming from. **Mrs. Daumiller** informed him that the increases in the budget are being paid for by: an increase in personal services, using the Broadban Pay Plan, and changes in personnel.

Motion/Vote: **SEN. LARSON** moved to APPROVE BASE YEAR AND PRESENT LAW ADJUSTMENTS AS REQUESTED ON PAGE ONE OF EXHIBIT 1. Motion passed 6-1 by roll call vote with REP. STAPLETON voting no. REP. BUZZAS voted by proxy.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 13.2}

Present Law Adjustments

DP 1 COMPUTER REPLACEMENT Page A-54

CHAIRMAN SINRUD stated that the total amount for computer replacements in FY 2006 is \$40,736, and in FY 2007 \$21,641. He informed the committee that this is a total of \$62,377 out of the general fund for the biennium.

Motion/Vote: SEN. COONEY moved DP 1 COMPUTER REPLACEMENT AS ONE-TIME-ONLY. Motion passed unanimously 8-0 by roll call vote. REP. BUZZAS voting by proxy.

{Tape: 1; Side: A; Approx. Time Counter: 13.2 - 15}

DP 2 HB 564 SPENDING AUTHORITY

Mrs. Daumiller informed the committee that DP 2 has been withdrawn and will be addressed with PL 111.

PL 111 TRANSFER WORKFORCE TRAINING Exhibit 1 Page 2

Mrs. Daumiller stated that PL 111 represents the difference of the two FTE in the transfer. Approving this allows D of C to have the two FTEs.

Motion/Vote: REP. SESSO moved PL 111 TRANSFER OF WORKFORCE TRAINING AS STATED. Motion passed unanimously by roll call vote. REP. BUZZAS voting by proxy.

DP 3 STATEWIDE FTE REDUCTION ON Page A-55

Motion/Vote: SEN. COONEY moved that DP 3 REMOVAL OF .37 FTE FOR 25,000 OUT OF THE GENERAL FUND BE ADOPTED. Motion passed unanimously by roll call vote. REP. BUZZAS voting by proxy.

DP 4 DECREASE OPERATING EXPENSES Page A-56

Motion/Vote: REP. SESSO moved that DP 4 DECREASE OPERATING EXPENSE BE ADOPTED. Motion passed unanimously by roll call vote. REP. BUZZAS voting by proxy.

{Tape: 1; Side: A; Approx. Time Counter: 15 - 22}

DP 5 EXTRADITION OF PRISONERS Page A-56

Discussion:

SEN. LAIBLE asked why the Governor's Office is involved in prisoner extradition.

SEN. COONEY said that the Governor's Office has to be involved, because the Governor needs to agree with the extradition of the prisoner.

SEN. LAIBLE asked why the extradition of prisoners isn't billed to corrections instead of the Governor's Office.

CHAIRMAN SINRUD asked Mr. Nelson if he cared if this was in the Governor's Office budget, and if he thinks the expenses should be covered by the Department of Corrections.

Amy Sassano, OBPP, stated that it doesn't matter who covers the expenses, because the state still has to pay for it.

CHAIRMAN SINRUD stated that if we don't pass DP 5 then there will be no budget for the extradition of prisoners.

Motion/Vote: **SEN. COONEY** moved that **DP 5 EXTRADITION OF PRISONERS BE ADOPTED**. Motion passed 7-1 by roll call vote. **SEN. STAPLETON** voting no. **REP. BUZZAS** voting aye by proxy.
{Tape: 1; Side: A; Approx. Time Counter: 22 - 28}

DP 6 EXECUTIVE STAFF OPERATING EXPENSES Page A-56

Mrs. Daumiller stated that DP 6 was recommended by Governor Martz and DP 222 is an additional Decision Package recommended by Governor Schweitzer.

CHAIRMAN SINRUD stated that DP 6 is an increase of \$15,000 per year and DP 222 adds an additional \$189,000 per year to the Governor's Budget. The figures that make up the \$189,000 are: \$50,000 operating funds, \$19,000 for salary adjustments, \$50,000 for automation and equipment, and \$75,000 in travel costs for the Governor and his staff.

Motion/Vote: **REP. SESSO** moved that **DP 6 EXECUTIVE STAFF OPERATING EXPENSES BE ADOPTED**. Motion passed unanimously by roll call vote. **REP. BUZZAS** voting by proxy.
{Tape: 1; Side: A; Approx. Time Counter: 28 - 30}

DP 222 GOVERNOR'S OFFICE BUDGET INCREASE
EXHIBIT 1 Page 2

Discussion:

SEN. LAIBLE stated that he is not going to support DP 222, because he thinks it is a bit excessive and there is a huge education funding deficit.

REP. BUZZAS in at 8:45 A.M.

SEN. STAPLETON stated that he thinks that kind of an increase is an unhealthy precedent and made a motion to approve a \$50,000 increase in the Governor's Budget.

REP. BUZZAS stated that this is a new office and that the committee should allow the new office to reorganize, and going with \$50,000 seems very random. She made a motion to approve 50% of the Governor's Office Budget Increase of \$95,000.

SEN. STAPLETON stated that a 47% increase in the Governor's Office Budget seems huge, that he would be happy to approve a lesser percent increase.

SEN. LAIBLE stated that he is uncomfortable with spending \$189,000, and that it seems excessive.

SEN. STAPLETON stated that he doesn't feel as though the committee should readjust the decision packages carelessly, and he withdrew his motion for the \$50,000 increase.

SEN. LARSON commented that this is a different Governor with a different style and a different way of doing things. He urged the committee to support the Governor's Office Budget.

SEN. LAIBLE stated that we are all here to approve or disapprove of budget proposals, we need to be cautious with how we are spending the state's money.

SEN. LARSON stated that this is a new Governor and if the committee wants to make some cuts, then the cuts need to be minimal.

SEN. COONEY stated that a 47% increase is a bit excessive, but that the committee should maintain his budget for travel.

REP. BUZZAS stated that the committee shouldn't be slashing the budget without thinking carefully about it, and she withdrew her motion.

REP. SESSO stated that the committee should approve the budget this session, and review it again in two years.

SEN. STAPLETON stated that he doesn't think that the Governor is going to be making any more travel plans than the previous Governor.

SEN. COONEY stated that he disagrees with **SEN. STAPLETON** and that the new Governor has a different way of doing things. He believes that the committee needs to give the new Governor an opportunity to travel and to be active with the local communities in the state. He urged the committee to be very careful with how they deal with this request.

REP. TAYLOR commented that we are looking at \$70,000 more a year in travel, and that it is a bit excessive.

Motion/Vote: **REP. SESSO** moved **DP 222 GOVERNOR'S OFFICE BUDGET INCREASE**. Motion failed 4-4 by roll call vote. **REP. SESSO, SEN. LARSON, SEN. COONEY, REP. BUZZAS** voting **AYE**.
{Tape: 1; Side: B; Approx. Time Counter: 0 - 30}

EXECUTIVE ACTION

New Proposals

NP 7 BOARD OF EDUCATION POSITION Page A-56

Mrs. Daumiller stated that the Governor needs an advisor to connect the Governor to the Board of Public Education. This position has been vacant for two years. The Lieutenant Governor handled this position in the past.

Motion/Vote: **REP. BUZZAS** moved **NP 7 BOARD OF EDUCATION POSITION BE ADOPTED**. Motion carried 5-3 by roll call vote. **REP. SINRUD, SEN. STAPLETON, and REP. TAYLOR** voting **no**.
{Tape: 2; Side: A; Approx. Time Counter: 0 - 12}

NP 333 FEDERAL RELATIONS OFFICE EXHIBIT 1 Page 2

SEN. COONEY stated that the Governor's Office used to have an office in Washington, D.C., and that there hasn't been one for

some time. He noted his support NP 333 and stated that the state can benefit from having a staff in Washington, D.C.

REP. SESSO agreed with **SEN. COONEY**, and thinks that a staff person in Washington, D.C. is a good idea.

SEN. COONEY out at 9:20 A.M.

REP. BUZZAS commented that the Governor's Office did have this position at the beginning of the Martz Budget, but it was cut last session. She stated that a lot of things were cut last session because of the hard economic times.

SEN. COONEY in at 9:25 A.M.

SEN. STAPLETON expressed that he doesn't see this as an extremely important position.

Motion/Vote: **SEN. COONEY** moved that **NP 333 FEDERAL RELATIONS OFFICE BE ADOPTED**. Motion failed 4-4 by roll call vote. **REP. SESSO, SEN. LARSON, SEN. COONEY, REP. BUZZAS** voting aye.
{Tape: 1; Side: B; Approx. Time Counter: 12 - 18}

NP 334 MARKETING MONTANA AND BUSINESS RECRUITMENT
EXHIBIT 1 Page 2

SEN. COONEY suggested that this was one of the main points in Governor Schweitzer's Campaign. He stated that we need to allow him to market the State of Montana, and to bring business to the state.

SEN. STAPLETON agreed with **SEN. COONEY'S** statement.

SEN. LAIBLE stated that he was really excited about this program.

SEN. TAYLOR asked Mr. Barrett if NP 334 is in addition to the \$313,000 already in the budget. **Mr. Barrett** stated that the \$313,000 covers all of the expenses of the office and other business expenses, and that the additional funding is needed.

SEN. COONEY stated that without objection he would withdraw his motion.

The committee agreed to revisit this decision package on 2/11/05.
{Tape: 1; Side: B; Approx. Time Counter: 18 - 30}

NP 555 GOVERNOR'S EFFICIENCY COUNCIL
EXHIBIT 1 PAGE 2

SEN. LAIBLE stated that he is hesitant to vote on NP 555. He wanted to allow the money to go to the Audit Department on performance audits.

SEN. COONEY stated that it may be a possibility to put some language into the bill. He urged the committee to give the Governor the funds for efficiency.

CHAIRMAN SINRUD asked Mr. Nelson if the Governor has an idea for the use of the \$400,000 for efficiency. **Bruce Nelson, Governor's Office**, stated that there is an idea for an outside council to come into the Governor's Office and check for efficiency.

REP. TAYLOR stated that she does not think that an efficiency council is a good idea, and a waste of money. She recommended that Governor's Office have one efficiency person, instead of an entire council.

David Ewer, Governor's Office, stated that it would be inefficient for the council to try and save money on finding efficiencies. He stated that the \$400,000 is not essential, however, it is an estimate of how much money is needed. He suggested that there may be a possibility to reserve some of this money for the audit committee.

CHAIRMAN SINRUD asked if there are any targeted areas that the Governor thinks that he can gain some efficiencies. **Mr. Ewer** stated that there are so many, but Medicaid and information technology systems are a few of the areas that need efficiency work.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 20}

SEN. STAPLETON stated that he serves on the audit committee, and it is a very powerful committee. He stated that the committee is able to go very deep into peoples' finances and that the computer system is very inefficient. He said that he doesn't know how to solve the inefficiency problem. He indicated that the Governor needs to be coupled with the legislature to find solutions. He suggested that Scott Seacat visit with the committee about the need for an efficiency council in the Governor's Office.

{Tape: 2; Side: A; Approx. Time Counter: 20 - 30}.

SEN. LAIBLE questioned how the legislature gives the Governor the ability to drive an audit.

The committee took a 15 minute break.

CHAIRMAN SINRUD asked if it is the legislature's job to audit and appropriate the money we need for an efficiency council. **Scott Seacat, Legislative Audit Division**, stated that bottom line is for every \$1 spent on personal services, the audit committee saves \$6. The Governor is proposing that the audit committee look at efficiency. He informed the committee that there is a \$60 million dollar figure of efficiency savings in government. He stated that the audit committee is the only committee required by constitutional law. He stated that he thinks an efficiency council is a good idea. He told the committee that he does not want any one-time-only money, because the committee can't expect the Governor to do a good efficiency savings job, with one-time-only money.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 15}

SEN. LAIBLE asked how audits are prioritized. **Mr. Seacat** stated that something that is an immediate threat, or something that needs immediate attention usually becomes our priority.

SEN. LAIBLE asked, "What is the audit division's main funding source?" **Mr. Seacat** stated that their funding comes out of general fund.

SEN. STAPLETON asked if the committee gave the right to reserved and expanded the audit budget on the basis of two line items concerning the Governor, that would receive president. **Mr. Seacat** stated that he does not approve of that idea.

REP. BUZZAS asked what if there was a cyclical audit. **Mr. Seacat** stated that performance audits are cyclical and are done every six to eight years.

SEN. LAIBLE asked if the Governor came to the audit committee and asked for an audit, would his request receive priority. **Mr. Seacat** stated that the audit would receive top priority.

Mr. Ewer stated that regardless of what the committee does, the Governor is committed to finding efficiencies.

CHAIRMAN SINRUD asked **SEN. COONEY** and **SEN. STAPLETON** to spend some time putting some language to NP 555. He also stated that no further action would be taken on this until further language has been written.

{Tape: 3; Side: A; Approx. Time Counter: 12 - 30}

EXECUTIVE ACTION

PROGRAM 02

DP 1 MANSION OPERATING EXPENDITURES Page A-59

Motion/Vote: SEN. COONEY moved that DP 1 MANSION OPERATING EXPENSES BE ADOPTED. Motion carried unanimously by roll call vote

{Tape: 3; Side: B; Approx. Time Counter: 0 - 3}

DP 222 MANSION BUDGET INCREASE Page A-58

Motion/Vote: SEN. COONEY moved that DP 222 MANSION BUDGET INCREASE AS ONE-TIME-ONLY BE ADOPTED. Motion carried unanimously by roll call vote.

{Tape: 3; Side: B; Approx. Time Counter: 3 - 5}

EXECUTIVE ACTION

PROGRAM 03

DP 222 AI TRANSPORTATION BUDGET INCREASE Page A- 60

Discussion:

Mrs. Daumiller stated the Governor's Office underestimated costs of fuel for the plane, and that is why there is a budget increase.

REP. TAYLOR stated that the plane is being used between 200 hours and 300 hours a year. She commented that the plane is costing us \$700 to \$1,000 an hour. This plane is expensive to use.

SEN. LAIBLE asked how many pilots the Governor's Office has.

Mr. Nelson stated that there is one pilot and travel would increase 25%-50% over the previous Governor and that there are 450 flight-hours predicted per year.

Motion/Vote: SEN. LARSON moved that DP 222 AIR TRANSPORTATION BUDGET INCREASE BE ADOPTED. Motion carried 6-2 with SEN. STAPLETON and REP. TAYLOR voting no by roll call vote.

{Tape: 3; Side: B; Approx. Time Counter: 5 - 17}

DP 333 AIR TRANSPORTATION BUDGET INCREASE

Mrs. Daumiller stated that DP 333 is listed twice to get it from the general fund into the state special revenue.

SEN. LARSON stated that he wanted to be cautious and allow the Governor to do the engine overhaul if he needs it.

REP. SESSO stated that he appreciates the Governor's Office letting him know ahead of time that the plane engine may need an overhaul.

Motion/Vote: **SEN. COONEY** moved DP 333 AIRCRAFT ENGINE OVERHAUL ONE-TIME-ONLY, RESTRICTED, AND BIENNIAL. Motion failed 4-4 by roll call vote. **REP. SESSO, SEN. LARSON, SEN. COONEY, AND REP. BUZZAS** all vote aye.

{Tape: 3; Side: B; Approx. Time Counter: 17 - 22}

EXECUTIVE ACTION

PROGRAM 04

DP 4 STATEWIDE FTE REDUCTION Page A-62

Motion/Vote: **SEN. LAIBLE** moved that DP 4 STATEWIDE FTE REDUCTION BE ADOPTED. Motion carried unanimously by roll call vote.

Motion/Vote: **REP. SESSO** moved to RECONSIDER THE MOTION TO ADOPT DP 4 STATEWIDE FTE REDUCTION. Motion carried 5-3 by roll call vote. **SEN. LAIBLE, REP. SINRUD, AND SEN. STAPLETON** voting no.

Motion/Vote: **REP. SESSO** moved to RECIND THE ACTION TO ADOPT DP 4. Motion carried 7-1 by roll call vote with **REP. SINRUD** voting no.

{Tape: 4; Side: A; Approx. Time Counter: 0 - 8}

DP 102 ELIMINATE OBPP TO FUND BROADBAND PAYPLAN Page A- 62

CHAIRMAN SINRUD stated that the Governor's Office requested that no action will be taken on this Decision Package.

DP 104 OBPP SESSION COSTS Page A-62

Motion/Vote: **SEN. LAIBLE** moved that DP 104 OBPP SESSION COSTS BE ADOPTED. Motion carried unanimously by roll call vote.

EXECUTIVE ACTION

PROGRAM 04

NP 5 NATURAL GAS CONTINGENCY Page A-64

Mrs. Daumiller stated that the roll down language allows the Governor's Office to spend this in an emergency prescribed in the language. In regards to the cap all language authority counts.

SEN. LAIBLE asked what this money is for. **CHAIRMAN SINRUD** stated that it is for Agency Assistance in case utility rates increase beyond an agency's ability to pay.

Motion/Vote: REP. SESSO moved that NP 5 NATURAL GAS CONTINGENCY BE ADOPTED. Motion carried unanimously by roll call vote.
{Tape: 4; Side: A; Approx. Time Counter: 6 - 15}

NP 103 STATE FUND DIVIDEND AUTHORITY Page A-65

Motion/Vote: REP. SESSO moved that NP 103 STATE FUND DIVIDEND AUTHORITY BE ADOPTED. Motion carried unanimously by roll call vote.

EXECUTIVE ACTION

PROGRAM 5

DP 1 ELIMINATE EXPENSES FROM THE BASE Page A-67

Motion/Vote: SEN. LARSON moved that DP 1 ELIMINATE EXPENSES FROM THE BASE BE ADOPTED. Motion carried unanimously by roll call vote. REP. SESSO voting by proxy.
{Tape: 4; Side: A; Approx. Time Counter: 15 - 17}

DP 555 COORDINATOR SALARY INCREASE Page A-68

SEN. COONEY stated that he thinks this position has been open way too long. He commented that it is very important position and needs to be filled.

SEN. STAPLETON asked why the number is \$50,000 for the biennium for this position.

Eileen Rose, OBPP, stated that this is an executive position with benefits and that is why the \$50,000 figure is in the budget.

Motion/Vote: SEN. COONEY moved that DP 555 COORDINATOR SALARY INCREASE BE ADOPTED. Motion carried unanimously by roll call vote. REP. SESSO voting by proxy.
{Tape: 4; Side: A; Approx. Time Counter: 17 - 25}

DP 2 COORDINATOR TRAVEL EXPENSES Page A-68

CHAIRMAN SINRUD asked what kind of travel this budget includes. Mr. Nelson stated that this budget is for in state travel.

Motion/Vote: SEN. COONEY moved that DP 2 COORDINATOR TRAVEL EXPENSES BE ADOPTED. Motion carried unanimously by roll call vote. REP. SESSO voting by proxy.
{Tape: 4; Side: A; Approx. Time Counter: 25 - 27}

EXECUTIVE ACTION

PROGRAM 12

DP 1 STATEWIDE FTE REDUCTION Page A-68

Motion/Vote: SEN. LARSON moved that DP 1 STATEWIDE FTE REDUCTION BE ADOPTED. Motion carried unanimously by roll call vote. REP. SESSO voting by proxy.
{Tape: 4; Side: A; Approx. Time Counter: 27 - 30}

EXECUTIVE ACTION

PROGRAM 20

DP 1 BOARD OF VISITORS OPERATING EXPENSES Page A-72

SEN. LAIBLE asked what the \$10,000 was going to be used for.

REP. BUZZAS this money is for them to visit mental health facilities.

REP. TAYLOR asked if it has it been decided that the federal money is gone. REP. BUZZAS stated that the federal money is gone.

Motion/Vote: SEN. LARSON moved that DP 1 BOARD OF VISITORS OPERATING EXPENSES BE ADOPTED. Motion carried 7-1 with REP. STAPLETON voting no. REP. SESSO voting aye by proxy.
{Tape: 4; Side: B; Approx. Time Counter: 0 - 5}

DP 2 ELIMINATE FEDERAL FUNDS Page A-72

Motion/Vote: SEN. LARSON moved that DP 2 ELIMINATE FEDERAL FUNDS BE ADOPTED. Motion carried unanimously by roll call vote.
REP. SESSO voting by proxy.
{Tape: 4; Side: B; Approx. Time Counter: 4 - 5}

DP 444 REPLACE FEDERAL FUNDS Page A-72

Motion/Vote: REP. BUZZAS moved that DP 444 REPLACEMENT OF FEDERAL FUND BE ADOPTED. Motion carried 5-4 by roll call vote.
SEN. LAIBLE, SEN. STAPLETON, and REP. TAYLOR all voting no. REP. SESSO voting aye by proxy.
{Tape: 4; Side: B; Approx. Time Counter: 5 - 7}

CLOSURE OF APPELLATE DEFENDER AND CONSUMER COUNCIL

Mrs. Daumiller stated that there were two divisions that were no closure, the Consumer Council and Appellate Defender.

Motion/Vote: SEN. LAIBLE moved that CLOSE APPELLATE DEFENDER AND CONSUMER COUNCIL BE ADOPTED. Motion carried unanimously by voice vote.

CHAIRMAN SINRUD stated that the meeting was adjourned for the day and that the committee would reconvene on 2/3/05 for a hearing on the Department of Revenue.

Meeting closed at 11:55 A.M.

Exhibits 2,3,4,and 5 were handed out, but never referred to throughout the meeting.

[EXHIBIT\(jgh25a02\)](#)

[EXHIBIT\(jgh25a03\)](#)

[EXHIBIT\(jgh25a04\)](#)

[EXHIBIT\(jgh25a05\)](#)

ADJOURNMENT

Adjournment: 11:10 A.M.

REP. JOHN SINRUD, Chairman

JAMIE MICKELSON, Secretary

JS/jm

Additional Exhibits:

EXHIBIT ([jgh25aad0.PDF](#))